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FCC ADOPTS REVISED MOBILE SPECTRUM HOLDINGS POLICIES TO PRESERVE & PROMOTE A COMPETITIVE WIRELESS MARKETPLACE

Washington, D.C. – Today, the Federal Communications Commission adopted a Report and Order revising rules for its mobile spectrum holding policies. Access to spectrum, particularly low-band spectrum, is essential for the provision of mobile wireless services. Today's action will promote more competition in more markets, and facilitate consumers having more choices of wireless providers, lower prices, and higher quality mobile service.

The Commission's decision addressed mobile spectrum policies in three interrelated areas.

First, with respect to reviews of proposed transactions, the Commission added and removed spectrum to the screen to reflect spectrum that is currently suitable and available for mobile broadband. If a proposed transaction would result in a wireless provider holding approximately 1/3 or more of available spectrum licenses in a given market, that transaction will continue to trigger a more detailed, case-by-case competitive analysis by the Commission.

Second, with respect to transactions involving low-band (below 1 GHz) spectrum, the Commission will continue to use a case-by-case review of these transactions. Aggregation of approximately 1/3 or more of available low-band spectrum will be an "enhanced factor" in the competitive analysis of a proposed transaction.

Third, with respect to auctions, the Commission set policies for the upcoming AWS-3 and Broadcast Television Spectrum Incentive Auction. Specifically, the Commission set no auction-specific spectrum aggregation limits for qualified bidders in the AWS-3 auction, regardless of their existing spectrum holdings. In addition, the Commission will not require any post-auction divestitures.

The Commission set reasonable spectrum aggregation rules that promote competition for the Broadcast Television Spectrum Incentive Auction, tailored to encourage participation by both small and large providers and to ensure no one or two providers can "run the table". The Commission will make a significant amount of spectrum available to all bidders in all markets. To promote competition, the rules establish a market-based reserve of no more than 30 megahertz of spectrum targeted for providers that hold less than 1/3 of available low-band spectrum in a license area.

Finally, the Commission clarified that the rules it adopted today are based on current market structure, and that it reserves the right to modify the rules based on significant market changes, including proposed transactions.

Action by the Commission May 15, 2014, by Report and Order (FCC 14-63). Chairman Wheeler and Commissioner Rosenworcel with Commissioner Clyburn approving in part and concurring in part and

Commissioners Pai and O'Rielly dissenting. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai and O'Rielly issuing statements.

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